

12/12/78

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Letter	Nathaniel Davis to Pres. Carter, w/attachments 8 pp., re:personal matter	12/12/78	C
Letter	Stuart Lewengrub to Billy Carter, <i>opened 8/9/93</i> w/attachments 2 pp., re:personal matter	12/6/78	C
Memo	John A. White to Pres. Carter, w/attachments 87 pp., re:violations of the Anti-deficiency Act	12/6/78	C
Memo	Kraft & Miller to Pres. Carter, w/attachments 19 pp., re:recommendations	11/30/78	C

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Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 12/12/78 Box 111

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THE WHITE HOUSE

WASHINGTON

December 11, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ *RL*

RE: Billy Carter

For your information I am attaching a copy of a letter which was sent to Billy by the Atlanta office of the Anti-Defamation League of B'nai B'rith.

Attachment

Electrostatic Copy Made
for Preservation Purposes

SOUTHEASTERN REGIONAL OFFICE

Anti-Defamation League of B'nai B'rith

805 PEACHTREE STREET, N.E., SUITE 633 • ATLANTA, GEORGIA 30308 • (404) 523-3391

December 6, 1978

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Mr. Billy Carter
P.O. Box 121077
Nashville, Tn. 37212

AN OPEN LETTER TO BILLY CARTER

Dear Mr. Carter:

Because of a letter that appeared in the Atlanta Journal reporting that you had used the term, "Goddamned Jew" while roasting Phil Niekro, two weeks ago at a local fund-raising dinner, I sought and had the opportunity to view the uncut television tape of your performance. We must tell you that it was of little comfort to see that the term you had actually used was "bastardized Jew." We also observed that you used the term "Polack" in your presentation.

We fully realize that the context of these remarks was a roast and that a roast is intended to be humorous and needling. However, it is highly questionable whether terms such as "bastardized Jew" and "Polack" are humorous, or appropriate, even in this context.

Had this been a private affair, one that did not have an audience of 1200 people, plus press and television cameras and were you not the brother of the President of the United States, perhaps your remarks would have gone unnoticed. However, because you are a public personality and as such what you say in public carries greater weight, it seems to us that you bear a special responsibility in terms of what you say, even in jest.

We trust that this criticism will be taken in the spirit it is intended, namely, in the hope that you will be sensitive to the difference between ethnic humor and ethnic insult. We trust that you personally bear no ill will toward the Jewish people or those of Polish descent, and that your future comments, be they serious or humorous, will reflect the kind of sensitivity to others that you would expect to be directed toward you, your family, and your heritage.

Sincerely,

Stuart Lewengrub, Director
Southeastern Regional Office
Anti-Defamation League of B'nai B'rith

SL/rk

... Dedicated to translating democratic ideals into a way of life for all Americans in our time.

J -

Lohy Buttimer
gave me this while
it was in Savannah
for you.

Susan
Archives
J

Elect **Jimmy Carter** Governor

Dear Friend:

A half million Georgians have placed their stamp of approval on Jimmy Carter as Georgia's next Governor. In both the primary and the run-off election, Chatham County was in the Jimmy Carter column. Let's finish the all-important task by doing likewise November 3rd.

The Savannahians listed below, who think like you and want the same bright future for Georgia, would appreciate your vote and support for Jimmy Carter. We know he will make a fine Governor and that Savannah will benefit greatly under his administration. Be sure and vote Tuesday, November 3rd, and get your family and friends to do likewise. By so doing, you will be rendering a real service to your State, to Chatham County and to Savannah.

Sincerely,

Frank Rossiter

John J. Fogarty

P. J. Buttimer ✓

John M. Brennan

Joseph K. Ebberwein

Daniel J. Keane

Vestus J. Ryan

Jack Daniels ✓

Eugene G. Butler

Robert S. Downing

1
THE WHITE HOUSE
WASHINGTON

12 Dec 78

Jerry Rafshoon

The attached was returned in the
President's outbox and is forwarded
to you for appropriate handling.

Rick Hutcheson

ACTION

FYI

*Call
Raphoon
to pick up*

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
LAST DAY FOR ACTION

ADMIN CONFIDENTIAL
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SANDERS
VOORDE
WARREN
WISE

*Susan
Use
notebook
speech
J*

*Jerry abbreviate by
eliminating duplication
- add
Sixty's idea -
plus*

REMARKS AT HEW CONFERENCE ON FRAUD, ABUSE AND ERROR

DECEMBER 13, 1978

*brief appeal for
every member of Gov't
to join in the
fight
JC*

I'm glad to be here among you today. I think that
Joe Califano deserves the thanks of us all -- not only
for having taken the initiative to call this conference,
but also for the way he has organized it.

In looking over your agenda for today and tomorrow,
two things impressed me especially.

One is the range and breadth of experience repre-
sented here. You are educators and health care profes-
sionals, legislators and business people, social service
administrators and ¹bureaucrats, ~~77~~ that much-abused species.

What you have in common is that you are serious people -- serious about your own work, and serious about our objective at this conference, which is to ^{marshal} galvanize our common efforts in combatting the threat that fraud and waste pose to responsible ^{government service} ~~public policy~~ in America.

The second thing that impresses me is that you are practical people. You know that the heart of government is its day-to-day operations. This is where citizens gain trust in government, or lose it -- gain respect for government's efficiency, or lose it. Your workshop and discussion topics reflect this concern with practical action. You will be talking about auditing and accountability -- about retrospective budgeting and computer matching -- about contract administration and financial management. These are the nuts and bolts of making government effective and of building protections against fraud and waste into its structure.

In the brief time I have with you, I want to talk about how the fight against fraud and abuse fits into our long-term, continuing effort to restore public confidence in government by making it work better.

From the first day of my Administration, I have been determined to improve management and root out abuse from Federal programs across the board. I come before you to reaffirm and strengthen that commitment today.

Most of the funds we spend in Federal programs benefit the people for whom they are intended. Compared to the ^{total} overall Federal budget, losses through fraud, abuse and error are small. But ^{as a known or suspected part of} ~~compared to~~ the tax bill of the average American, those losses are huge -- and demoralizing.

The real damage of fraud and abuse cannot be measured just in dollars and cents. For the value of the people's trust and faith in their institutions of self-government is beyond price.

In the past two years, I think we have come a long way toward restoring the trust that was lost during the decade of Vietnam and Watergate. But it is not enough for people to have confidence in the good intentions and personal integrity of those who hold public office. People must also ^{know} feel assured that government is capable of doing its job. Fraud and abuse and waste undermine that precious confidence.

I do not believe that the American people want to go back on the promise of a better life and a fairer society. The heart of America is too big for that. The American people will not accept callousness toward those among us who are aged or sick or jobless or lacking in education or opportunity. But neither will the American people accept a massive bureaucracy that is too clumsy or too poorly managed to do the job.

If we are to be successful in our efforts to make government work better, one myth must be dispelled at the outset -- the myth that the values of compassion and efficiency are somehow in opposition to each other.

That is as absurd as imagining that a physician's medical skill is the enemy of his or her dedication to curing disease. Nothing could be more totally, more dangerously wrong.

When a program is poorly managed -- when it is riddled with waste and fraud-- the victims are not abstractions, but flesh-and-blood human beings. They are the unemployed teenager who gets shut out of a job -- the senior citizen deprived of a needed medical service -- the school child who goes without a nutritious meal, ~~at noontime~~. The government employee whose work is wasted is a victim, too. And so is the taxpayer whose hard-earned dollar goes down the drain.

Those of us who believe that our society has an obligation toward its weakest members have the greatest stake in improving the management and efficiency of the programs that are designed to meet that obligation.

This is especially true when the battle against inflation makes it impossible to bring vast new resources to bear on our social problems. At such a time -- indeed, at any time -- efficient management is in itself an act of compassion, for it unlocks ^{new} resources to be used for human ends.

There is a second myth -- the myth that it is somehow more compassionate, more committed, to appropriate another billion dollars of the taxpayers' money than to streamline an existing program so that it delivers an extra billion dollars' worth of service.

In fact, the latter is preferable in every way.

It saves money, of course -- and by holding down the budget deficit, it aids in the fight against inflation.

But it does more than that.

Efficient management increases political support for a program among those whose taxes pay for it. It gives the lie to those who prefer to believe that programs that meet human needs cannot work. It boosts the morale ^{and inspires} of dedicated government employees who are deeply frustrated when their hard work is frittered away through waste or fraud. Finally, efficient government builds public confidence in the process of self-government itself.

I did not select that one-billion-dollar figure at random. That is the amount that Joe Califano has vowed to save in fiscal 1979 by cutting deeply into waste and fraud in the Department of Health, Education and Welfare.

to abbreviate
one
duplication

Joe's efforts, and those of thousands of others working with him at HEW, are already showing good results.

Project Match is sifting out those on the Federal payroll who are illegally receiving welfare benefits. The project is very new, but it has already repaid its million-dollar cost twice over.

Project Integrity is nailing the thieves and con-artists among health care providers.

Thanks to tough management of the student financial aid program, the number of student defaulters is falling instead of rising for the first time in the program's ten-year history -- and the backlog, which hit 400,000 last March, is projected to be at zero by the end of 1980.

The credit for these successes belongs to an active partnership between the Federal ^{government} ~~side~~ and the states and localities.

Similar efforts are underway in other parts of the Federal government. The Labor Department is attacking abuse in the CETA program. The Agriculture Department is fighting illegal trafficking in Food Stamps. At the Small Business Administration and the General Services Administration, we are cracking down on fraud and theft. At the Department of Justice, the prosecution of fraud *within* against the government is now a high priority.

The headlines generated by these activities do not always make pleasant reading. But those headlines are a sign not that things are getting worse, but that they are improving.

When I campaigned for the Presidency, I promised the American people a compassionate and competent government. I have not swerved from that goal. Our expanding attack on waste and fraud is just one facet of a long-term effort to improve the functioning of government -- an effort that began the day that I took office.

That effort has made progress on many fronts:

I have used the appointment power to place the best people I could find at the head of the departments and regulatory agencies -- reform-minded men and women who are free of the conventional orthodoxies about regulation and administration.

I have embarked on reorganization of the Federal government to eliminate the waste caused by duplication and bureaucratic overlap.

I submitted, and the Congress passed, the first sweeping reform of the Civil Service system in its century-long history. Civil Service Reform gives the Departments and agencies a chance to strengthen their total management systems. It gives us the ability to deal firmly with those few who are dishonest or incompetent, and it increases the rewards for efficiency and effectiveness and accountability. It is a major step toward building a Federal workforce dedicated to competence and integrity at every level.

We have waded into the thicket of pointless red tape and regulations that waste the time of citizens and state and local officials. For example, we inherited more than 1,700 separate planning requirements in various grant and aid programs. We are chopping away at these overlapping requirements and have eliminated or consolidated more than 300 of them in the past year. We're still at it, and HEW is setting the pace.

Today, I am asking Jim McIntyre and Joe Califano to head a major effort to simplify and make as uniform as possible the hundreds of complex eligibility requirements in human services programs. Actions like these streamline Federal programs where it really counts -- at the state and local level.

Last year, I asked the heads of the departments and agencies to improve their audit coordination and increase their reliance on state and local audits wherever possible.

A government-wide effort led by OMB and the General Accounting Office has now come up with a breakthrough in auditing Federally-assisted programs -- a single guide to replace the almost one hundred now in use. The new approach calls for a total audit of an entire organization, with appropriate sampling of individual grants, to determine the overall reliability and integrity of financial operations. ~~OMB has just sent these new guidelines to departments and agencies for comment, and I expect to be able to put them into effect early next year.~~

~~I am determined to improve the management of the government and~~ to root out fraud and abuse. Where we had the tools ~~we have put them to work.~~ Where they did not exist, we are creating them.

Perhaps the most important new tools in the fight against fraud are the Inspectors General created in six departments and six agencies of the Federal government

by an act of Congress I signed eight weeks ago. The Inspectors General will be a powerful new tool for the discovery and elimination of fraud. They have broad powers and a significant degree of independence.

I will choose these Inspectors General carefully. I want them to match the high standard set by Tom Morris, the first Inspector General I appointed at HEW, who has helped save the American taxpayer half a billion dollars since the beginning of 1977.

I have already directed Jim McIntyre to oversee the systems the Inspectors General will run. I want to be sure that in each department covered by the law, the auditing and investigative functions are meshed in a smooth and effective way.

Today I am taking a further step. I am directing that significant features of the Inspectors General program be extended throughout the Federal government. Each agency

and Department will prepare a comprehensive plan for eliminating waste, fraud, and mismanagement in its own activities, and will designate a single official to oversee the preparation and implementation of that plan. I have assigned the Office of Management and Budget responsibility for overseeing this effort.

The fight against waste and fraud will require the best efforts of us all. New programs and better enforcement will help. But our most important weapon in this struggle is the vigilance and dedication we bring to it.

The stakes are high. If we succeed -- as I believe we will -- we will have kept faith with the millions of men, women and children whose human needs our society has pledged to meet. And we will have kept faith with ourselves. For the ultimate beneficiary will be democratic self-government in this America that all of us love.

* * *

CAMPBELL INSERT

*ok to
include
J*

A year ago, we instituted a program of special recognition for Federal personnel at all levels who suggested improvements in doing government work that produced savings of \$5,000 or more. The results were astounding. In one year, 1,380 people in 29 departments and agencies contributed improvements that brought savings exceeding \$210 million -- an amount equal to the average income taxes of 95,000 Americans.

These results show that good management and effective use of incentives are as effective in reducing waste and fraud as enforcement and punishment.

Again, ~~the~~ Civil Service Reform Act provides for greatly increased cash awards, both from agencies and from the President, for employees who make significant suggestions, improve government operations, reduce paperwork, or perform special acts or services in the public interest.

END OF INSERT

THE WHITE HOUSE
WASHINGTON

12 Dec 78

Frank Moore

The attached was returned in
the President's outbox and is
forwarded to you for your
information.

Rick Hutcheson



THE WHITE HOUSE
WASHINGTON

December 11, 1978

good
J

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE

by Sam Tate

SUBJECT:

Senator John Culver and the Seignious Appointment

Senator Culver is in New York and asked that my office give you the following information as a follow-up to his meeting with you on Friday.

Today he is issuing a press release announcing that early in the 96th Congress he will sponsor legislation prohibiting individuals in the military, either active or retired, from holding either of the top two positions in ACDA. He will also say that he is reserving judgment on the Seignious appointment and will note that he knows General Seignious and likes and respects him.

The Senator wanted you to know of his intentions because he gathered from your conversation that you were "fairly neutral" on the legislation and your primary concern was the confirmation of General Seignious.

Senator Culver is still far from convinced that General Seignious is the right kind of person to head ACDA and we believe there is still a very good chance that he will ultimately oppose the nomination. As he may have told you, for many years he has opposed nominations of military officers to ACDA, and he is somewhat trapped in this position.

ID 786177

THE WHITE HOUSE

WASHINGTON

DATE: 11 DEC 78

FOR ACTION:

INFO ONLY: HAMILTON JORDAN

ZBIG BRZEZINSKI

SUBJECT: FRANK MOORE MEMO RE SENATOR JOHN CULVER AND THE
SEIGNIOUS APPOINTMENT

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

12 Dec 78

Alfred Kahn

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON WAGE AND PRICE STABILITY
726 JACKSON PLACE, N.W.
WASHINGTON, D.C. 20506

ek
J.C.

MEMORANDUM FOR THE PRESIDENT

FROM : Michael Blumenthal
Stuart Eizenstat *Stu*
Alfred Kahn *Fred*
Juanita Kreps
Ray Marshall
James McIntyre
Charles Schultze

SUBJECT: Final Wage and Price Guidelines

CWPS has completed its discussions with private parties on the pay and price standards under the anti-inflation program. They plan to release the revised standards, together with an enlarged set of questions and answers, on Wednesday, December 13. Release by the 13th will enable the major corporations to provide immediate answers to your letter requesting their pledge to comply with the price standard.

The final standards will contain several modifications that were suggested to CWPS during the period of public comment. Most of them are minor and are intended to reduce computational costs, to eliminate some inequities for groups in special circumstances, or to improve clarity. There are two important decisions, however, with which we would like your concurrence.

1. Modification of the Pay Standard

As now written, the pay standard includes private fringe benefit costs as a part of pay. There is widespread agreement that improvements in benefit packages should be charged against the 7-percent standard. But, as written, the 7-percent standard also includes any increased costs of maintaining existing benefit packages (MOB) would also be charged. To the extent that these employer cost increases exceed 7 percent -- as many believe they will -- wage rate increases would have to be restricted to less than 7 percent.

We have argued that some inclusion of MOB costs is equitable and economically sensible since

- o from an equity standpoint, exclusion of these costs would favor workers with the fattest benefit packages relative to workers who must provide the benefits for themselves, and
- o from an economic standpoint, MOB cost increases constitute increased labor costs just as much as do increases in wages, fringe benefits, or cost-of-living adjustments.

The proposed full inclusion of MOB costs, however, has been the aspect of the pay standards most widely criticized by both business and labor groups. These criticisms are directed primarily at two major categories of benefits:

- o Health insurance costs are largely beyond the control of the firm. If fully charged against the 7-percent standard, they could in individual situations severely limit allowable wage increases. In addition, variations in experience ratings from one group of employees to another can create sharp differences in year-to-year cost increases for employee groups with the same benefits in their base pay rates.
- o Pension funding costs may, in some cases, rise rapidly because of changes in actuarial funding assumptions, stock market losses, etc., despite the fact that there have been no changes in the benefit levels.

We have concluded that some modifications of the standard are appropriate.

Proposed Modifications

We can preserve the concept of the inclusion of MOB and eliminate the inequities of wide variations in individual experiences by

- (a) excluding the costs of maintaining existing health benefits in excess of the 7-percent standard, and
- (b) excluding changes in employer contributions for retirement plans that are not associated with changes in benefit levels.

Our discussions with business and labor groups suggest that this modification of the pay standard would increase the support for and compliance with the anti-inflation program. It would, however, entail some slippage in the effective wage standards. Full compliance with the 7.0 percent standard, with this proposed modification, would imply an effective limitation of 7.1-7.2 percent for the economy as a whole. In individual situations where MOB cost increases are large, pay rates -- i.e., costs to the employer-- could rise by as much as 7.5 percent.

In our opinion, this slight slippage is more than offset by increases in the number of employee units that will comply with the wage standard. Moreover, it should be recognized that the Nixon wage-price controls program completely excluded these benefits.

2. The Profit-Margin Standard

Feedback from the business community indicates that a disturbingly large proportion of companies are planning to ignore the price-deceleration standard and satisfy, instead, the fall-back profit-margin standard. There appear to be two reasons for this:

- o Many companies interpreted the two standards as equally acceptable alternatives. This was not the intention of the program; the intention was that only those companies that cannot satisfy the primary price-deceleration standard, because of uncontrollable cost increases, should resort to the secondary profit-margin test.
- o The profit-margin standard, as now written, allows firms to expand their profits by raising prices at the same rate as costs. Because they can add a profit margin onto large cost increases the profit-margin test is an attractive alternative to many companies -- excessively so in our opinion.

The misintrepretation of the profit-margin exception as an equally acceptable alternative to price-deceleration has already been clarified in a CWPS statement. There remains a need to tighten it up to make it a less attractive option and to restrict the price increases allowed firms who resort to it.

Under our proposed change, firms that could not meet the price deceleration standard would still be required, as now, to maintain a profit margin lower than the best two-out-of-three

preceding years. But, in addition, they would be asked to limit their aggregate dollar profit increase to 6-1/2 percent (the target inflation rate with full compliance) plus the percentage growth in physical output. In other words, dollar profit per unit of output could grow at the targeted average inflation rate, while further profit expansion of profits would be limited to gains in volume.

Under the current standard, a constant profit margin implies a percentage growth in aggregate profit equal to that of revenue. Thus a 20-percent growth in sales revenue entails a 20-percent growth in profit. Under the proposed standard, a 20-percent growth in profit associated with a 5-percent increase in prices and a 15-percent growth in output would be acceptable; but, if it results from a 5-percent output growth and a 15-percent price increase, it would not be.

We have discussed this modification with business groups. In general, their first response was that no change should be made in the profit-margin standard. But many business leaders have told me privately that they consider the suggested change both reasonable and acceptable. Indeed Reg Jones of General Electric suggested virtually the same change.

The change would substantially improve the public credibility of the price standards, without altering them as they would apply to the vast majority of business firms. Observe they would affect only firms that (a) cannot comply with the primary price-deceleration standard and (b) would otherwise experience an increase in profits in excess of 6-1/2 percent. Initially, there will be some opposition to the change mostly by those who will not have fully absorbed it; but many business leaders will support it, and it should not be a major area of controversy.

Secretary Kreps remains concerned about the advisability of making what she views as a major revision in the profit test at this juncture. It will constitute a major change to many firms. Its effect will be to weaken the strong support we now have in the business community with little or no commensurate gain in labor support or the overall effectiveness of the program.

Other Changes

CWPS has made several additional changes in the standards that will have little or no impact on the program objectives but that do simplify the standards or ensure greater equity.

- (1) Firms that hold their price increases below 1.5 percent will be in compliance with the price standard, regardless of their average increase in 1976-77. This is only fair; it also provides symmetry with the 9.5-percent ceiling limitation on price increases.
- (2) Professional fee increases are limited to 6.5 percent (the target overall inflation rate) rather than a deceleration standard. Fee increases for individual services are limited to 9.5 percent. This standard is simpler, stronger, and easier to monitor.
- (3) Retailers, wholesalers, and food processors are provided the option of limiting increases in their margins. These firms frequently lack the data with which to compute a price index and a margin limitation is more reflective of the way in which they make their pricing decision.
- (4) The procedures for complying with the pay standard in nonunion situations have been modified to ensure equity vis a vis union workers.
- (5) Specific exemptions have been provided for some government-mandated labor cost increases that were simply forgotten in the preliminary version (pension law reforms, paid pregnancy leave, and changes in the low mandatory retirement).
- (6) A specific exception has been provided for firms that can demonstrate a shortage of some categories of skilled labor.

In general, the discussions with private groups have revealed a widespread intention to comply with the program. This is particularly true for pricing decisions of large companies and pay increases for nonunion workers. The experience with unions has been mixed; the members and local leaders are typically more positive than is the national leadership. The discussions have also made it clear that we will have to make greater efforts in future months to explain the program to smaller businesses.

Relationship to Real Wage Insurance

The increased flexibility incorporated in these modifications to the wage standards will cause some difficulties in designing the real wage insurance program. In implementing the voluntary wage and price standards CWPS can concentrate its principle efforts on large firms and unions that have the accounting capability to deal with complex determinations. Incentives are present for the large mass of smaller and medium sized employers to comply with the basic thrust of the wage standards without much oversight from CWPS. But in the case of real wage insurance, which will be part of the tax code, Treasury has to deal with legal determinations to make sure the program is not abused. We may have to make the detailed eligibility standard for real wage insurance somewhat different from those of the voluntary pay and price standards or we face substantial administrative difficulties. There is a chance that under some circumstances, some groups of workers who comply with the pay and price standards still will be ineligible for real wage insurance.

ID 786182

THE WHITE HOUSE

WASHINGTON

DATE: 12 DEC 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

STU EIZENSTAT

JODY POWELL

JERRY RAFSHOON

JACK WATSON

ANNE WEXLER

MCINTYRE; SCHULTZE

SUBJECT: COWPS MEMO RE FINAL WAGE AND PRICE GUIDELINES

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

per THE WHITE HOUSE
WASHINGTON

12/11/78

Mr. President:

Sen. Byrd has requested a meeting
to brief you on his mideast trip.
He has asked that it be ~~today or~~
~~tomorrow. If you approve of the~~
~~meeting it could be done at 3:30~~
~~this afternoon before your 4:00~~
~~call to Upper Volta or after the~~
~~call.~~

☒ approve meeting at ~~3:30~~

☐ hold meeting

Phil

8:45 am
(20 min.)

THE WHITE HOUSE
WASHINGTON

December 7, 1978

TO: The President

FROM: Phil & Fran *AD*

RE: MEMPHIS

ADMINISTRATIVELY CONFIDENTIAL

While in Memphis, Hamilton, Tim, Jerry and Jody recommend that you take special note of Martin Luther King's assassination by placing a wreath on the motel room which has been set aside as a Memorial to him.

This would be an unannounced 10-minute stop on the way to the airport upon departure Saturday. If you approve, we recommend Andy Young and Mrs. King accompany you, if they are to be in Memphis.

_____ approve ☒ _____ disapprove

*Suggest VP
or Rosalynn
J*

THE WHITE HOUSE
WASHINGTON

12-11-78

Done
J

Mr. President:

Governor O'Callaghan is traveling in England and will not return to the country until this Friday. We have left word with his office that you called, and have asked that he get in touch with you upon his return.

Phil

THE WHITE HOUSE
WASHINGTON

MEETING WITH SENATOR PATRICK LEAHY

Tuesday, December 12, 1978
11:40 a.m. (3 minutes)
The Oval Office

From: Frank Moore *F.M./ky*

I. PURPOSE

Photo opportunity for the Senator's family.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: During one of your meetings with Senator Leahy, he asked if you would meet with his parents when they were in town and you indicated you would.
- B. Participants: The President, Senator Leahy, Howard and Alba Leahy (The Senator's parents), Marcelle (his wife), Kevin, Alicia and Mark Leahy (his three children)
- C. Press Plan: White House photo only.

III. TALKING POINTS

As appropriate.

8:45 AM

THE WHITE HOUSE
WASHINGTON

MEETING WITH SENATOR ROBERT BYRD
Tuesday, December 12, 1978
8:45 a.m. (15 minutes)
The Oval Office

From: Frank Moore *FM/EM*

I. PURPOSE

To brief you on his trip to the Middle East.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: The Senator wants to give you a written and oral report on his trip to the Middle East. He will have copies of his report for Secretary Vance and Dr. Brzezinski. Senator Byrd believes it might be useful for Dr. Brzezinski to be present, but, of course, defers to your judgment.

B. Participants: The President and Senator Byrd

C. Press Plan: White House photo only.

III. TALKING POINTS

As appropriate.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

December 12, 1978

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *C.S. 12/12/78*
Subject: Retail Sales in November

This afternoon (Tuesday, December 12) at 3:00 p.m., the Census Bureau will release its preliminary estimate of retail sales in November and a revised estimate of sales in October. The news is extremely good.

October sales were originally estimated to have declined by 0.5 percent; the revised estimates indicate a rise of 1.3 percent. November sales are estimated to have increased 2 percent further. From the third quarter to November, total retail sales have risen at over a 20 percent annual rate. That is a very large rise.

The increase in November was larger for nondurables than for durables. General merchandise stores experienced a rise of 3.8 percent in sales. This distribution is desirable; department store inventories had been rising rapidly relative to sales, and a pickup in their sales was needed to prevent an inventory imbalance from developing.

The first estimate of retail sales is always subject to substantial revision, and we may find part of the large November increase revised away. Present indications are, however, that consumer spending is holding up very well in the fourth quarter. Thus, the large increases in employment we have seen in October and November have provided the income to sustain consumer spending, and as retail sales have moved up, the optimism of business that led them to hire and increase production has proved to be justified.

A single statistic of this kind does not affect our views on the prospects for the economy in 1979 in a major way. As you know, however, we have been concerned about how strong business investment will be, particularly in view of the Commerce Department's latest survey of investment plans for the first half of 1979. That survey suggested that businessmen's longer-range outlook may have weakened considerably, even though their outlook for the near term remained strong. If consumer spending continues to record good gains, however, the business community may be led to revise its thinking on the longer-term prospects for the economy.

THE WHITE HOUSE
WASHINGTON

12 Dec 78

Zbig Brzezinski

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

Jerry Rafshoon



Dorothy Padgett
Office of Protocol
U. S. Department of State
Washington, D. C. 20520

3615-
an idea
J

December 4, 1978

Rosalynn:

When the Peace Treaty is signed between the countries of Egypt and Israel, has anyone suggested the possibility of presenting a sculpture or national monument from the U.S. to the peoples of these two countries?

It would be concrete and visible evidence of the effort of this country for peace!

Dot

Dot

Good thought

~~Dot~~

J

1978 DEC 7 AM 11 31

RECEP. AND SECURITY UNIT
THE WHITE HOUSE
WASHINGTON

Mrs. Carter
The White House

Attn: Madeline MacBean

Dorothy Padgett
Office of Protocol
U. S. Department of State
Washington, D. C. 20520

THE WHITE HOUSE
WASHINGTON

December 11, 1978

COURTESY CALL BY FORMER PRESIDENT GERALD R. FORD

Tuesday, December 12, 1978
2:30 p.m. (30 minutes)
The Oval Office

From: Hugh Carter 

I. PURPOSE

Courtesy call and to discuss Ford's upcoming trip to the Middle East.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: Mr. Ford is in town from Monday, December 11 through Friday, December 15. He wanted to drop by and discuss his trip to the Middle East that will take place from January 16 through the 27th before it was announced. Since he left office, Mr. Ford has been invited to Israel, Egypt, Saudi Arabia and Jordan. To round out the visit, he will also go to the United Arab Emirates, Oman and Syria.

The Ford staff tells us that the State Department has been advised of the trip and has signed off on it. General Brent Scowcroft (former NSC director) will be coordinating the trip.

- B. Participants: Former President Ford
- C. Press Plan: Full press coverage at beginning of meeting.

1:45 PM

THE WHITE HOUSE

WASHINGTON

December 11, 1978

DROP-BY ON MEETING OF
INTERGOVERNMENTAL WATER POLICY TASK FORCE

Tuesday, December 12, 1978

Roosevelt Room - 1:45 p.m. (10 minutes)

From: Stu Eizenstat
Kathy Fletcher

Stu

I. PURPOSE

A Task Force of governors, mayors and other State and local government officials, along with the Federal members of the Water Resources Council, was established in the Water Policy Message last June. Secretary Andrus chairs the group. This is their first meeting and you are scheduled to drop by at the conclusion.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: The group will have met for four hours before you stop in. Among the issues they plan to discuss are the financial burdens on State and local government imposed by Federal water quality statutes; problems of deteriorating urban water supply systems; cost-sharing for Federal water projects; and water priorities given Federal budget constraints.

B. Participants: See attached list.

C. Press Plan: Coordinated with Press Office.

III. TALKING POINTS

- After consulting with many of you and your colleagues and a great deal of work by Secretary Andrus and others in my Administration, I announced a comprehensive water policy last June. This is the first time

in many years that an attempt has been made to improve and coordinate water policy at the Federal level. As a result, I think we will be successful in cutting down waste and making Federal programs more responsive.

- Even though the Administration's water policy effort was broad in scope, there were some questions that could not be adequately treated. It also became apparent that the water policy dialogue we started among various levels of government should continue. I am very glad to see that you have come here to participate in this discussion, and I hope your meeting has been productive.
- I think that the most important result of the water policy exercise has been a realization that each level of government should respect the responsibilities and constraints of the other levels. Success in meeting our water-related needs depends on working together, understanding regional differences and focussing on priority problems.

Attachment

INTERGOVERNMENTAL WATER POLICY TASK FORCE
(Principal Participants)

Non-Federal Participants

Honorable George Busbee, Governor of Georgia
Honorable Scott Matheson, Governor of Utah
Honorable Thomas P. O'Neill, III, Lt. Governor of
Massachusetts
Honorable Carol Amick, State Senator of Massachusetts
Honorable John Scully, State Representative of Montana
Honorable Edward Koch, Mayor of New York City, New York
Honorable Ted Wilson, Mayor of Salt Lake City, Utah
David Santillanes, Commissioner, Bernalillo County
Commission, New Mexico
Neal Potter, Councilman, Montgomery County Council, Md.

Federal Participants

Honorable Cecil Andrus, Secretary of the Interior
accompanied by Assistant Secretary Guy Martin
Honorable Bob S. Bergland, Secretary of Agriculture
accompanied by Deputy Assistant Secretary Dave Unger
Deputy Under Secretary Michael Blumenfeld (Army)
accompanied by Lt. Gen. J. W. Morris, Chief of
Engineers
Honorable Charles Warren, Chairman of the Council on
Environmental Quality, accompanied by Council
Member Jane Yarn
Assistant Administrator for Water and Waste Management
Thomas Jorling (EPA)
Associate Director Eliot Cutler (OMB)
Executive Director Leo Eisel, Water Resources Council
Deputy Assistant Secretary for Policy and International
Affairs Steve Scheffler (DOT)
Assistant Secretary for Resource Application George
McIsaac (DOE)
Deputy Assistant Secretary for Policy James W. Curlin
(Commerce)
Assistant Secretary of Commerce for Economic Development
Robert T. Hall
Deputy Assistant Secretary for Inter-program in Areawide
Concerns Yvonne Perry (HUD)

THE WHITE HOUSE

WASHINGTON

December 12, 1978

Mr. President:

You were accurate in your press conference statement that funding reductions under the current revenue sharing law would be illegal. However, you should know that the Economic Policy Group has been considering a legislative modification to the Revenue Sharing Act which would condition receipt of revenue sharing funds on compliance with the wage-price guidelines.

This modification is being considered as one of many ways to ensure State and local compliance with the anti-inflation program. No decisions have been made yet by the EPG, though recommendations will be soon made to you on this proposal and others being considered for a legislative anti-inflation package.



Stu Eizenstat

THE WHITE HOUSE
WASHINGTON

December 12, 1978

Susan
Neil:

Dr. Lukash would like the
President to have this.

Thanks.

Gloria

Q

THE WHITE HOUSE
WASHINGTON

12 DEC 78

FOR THE RECORD:

THE ARTICLE THAT WAS ATTACHED
ON JOGGING ("THE GREGARITY OF
THE LONG DISTANCE MAYOR"
CHICAGO) WAS FORWARDED TO
JIM PURKS PER DR. LUKASH!
REQUEST.

THE WHITE HOUSE
WASHINGTON

December 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT 

SUBJECT: Meetings With Elder Statesmen

I understand that you met several months ago with the small group of "elder statesmen" (Linowitz, Clifford, Shapiro, et al), which I had suggested at an earlier time. Unless you found this meeting not to have been useful, I think that it would be appropriate before you go away for the holidays to see them again, since you will be making critical defense, foreign policy and domestic decisions in the upcoming weeks.

Fran Voorde mentioned that another meeting had been scheduled fairly recently but it had to be cancelled because of other conflicts.